
Introduced by Senator Dunn

February 23, 1999

An act to amend Section 22330 of the Financial Code, relating to finance lenders.

LEGISLATIVE COUNSEL'S DIGEST

SB 579, as introduced, Dunn. Finance lenders.

The California Finance Lenders Law provides for licensing and regulation by the Commissioner of Corporations of persons engaged in the business of making consumer or commercial loans. Under these provisions, a licensee generally may not take a deed of trust, mortgage, or lien upon real property as security for a loan if the principal amount of the loan is less than \$5,000.

This bill would provide that a licensee may not take a deed of trust, mortgage, or lien upon real property as security for a loan if the bona fide principal amount of the loan is less than \$5,000.

Vote: majority. Appropriation: no. Fiscal committee: no. State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 22330 of the Financial Code is
2 amended to read:
3 22330. No licensee shall take a deed of trust,
4 mortgage, or lien upon real property as security for any
5 loan of a *bona fide* principal amount of less than five
6 thousand dollars (\$5,000) made under this division,

- 1 except any lien as is created by law upon the recording of
- 2 an abstract of judgment.

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